

R307-123

2. Title: General Requirements: Clean Fuels and Vehicle Technology Grant and Loan Program

3. Type of notice: New

4. Purpose of the rule or reason for the change:

The purpose of R307-123 is to specify the requirements for qualifying technologies to be awarded grant and loan monies from the Clean Fuels and Vehicle Technology Fund. The procedures for providing grants and loans for qualifying technologies from the Fund can be found under R305-4 (See separate filing on R305-4, in this issue.)

6. Summary of rules changes:

The Clean Fuels and Vehicle Technology Program Act, Utah State Codes 19-1-401 thru 19-1-405, creates the Clean Fuels and Vehicle Technology Fund in Section 19-1-403. Section 19-1-405 authorizes the Air Quality Board to make rules to establish state-wide eligibility requirements for technologies qualified to be awarded grant and loan monies from the Fund. DAQ staff created R307-123 to specify these requirements. As proposed, the rule defines certification criteria and proof of purchase requirements for eligible technology. A summary of the provisions included in R307-123 are as follows: 1) Eligible equipment to receive monies from the fund are specified as new OEM vehicles, motor vehicles that have been converted to use a clean fuel, and motor vehicles that have been retrofitted to reduce pollution emissions; 2) Certification criteria for motor vehicle conversions, including pollution reduction requirements, are defined in the enabling statute, Section 19-1-405; 3) Certification criteria and for motor vehicle retrofits, including pollution reduction requirements and eligible technology, are defined; and 4) Proof of purchase requirements for eligible equipment are specified. Section 19-1-404 of the Act authorizes the Department of Environment Quality to establish the procedures for providing grants and loans for qualifying technologies from the Clean Fuels and Vehicle Technology Fund. The Department of Environment is proposing R305-4 (see separate filing on R305-4 in this issue) to specify these procedures.

7. Summary of costs Aggregate anticipated cost or savings

A. To State Budget

There is no change in costs for the state budget, because costs for administering the program are already allocated from the Fund and nominal fees for purchasing credit reports for applicants will be recouped from application fees. State government entities that wish to apply for the program are subject to application fees of \$140 for loan applications, \$280 for grant applications, and \$350 for infrastructure applications. Because this is a new program, the actual amount of applications is unknown at this time.

B. To Local Government

There is no change in costs for sources owned or operated by local government. However, local government entities that wish to apply for the program are subject to application fees of \$140 for

loan applications, \$280 for grant applications, and \$350 for infrastructure applications. Because this is a new program we are unable to estimate how many government agencies will apply for money from this program.

C. Small businesses (fewer than 50 employees) AND persons other than businesses:

Small Businesses: No change in costs is expected for small business. However, small businesses that wish to apply for the program are subject to application fees of \$140 for loan applications, \$280 for grant applications, and \$350 for infrastructure applications. Because this is a new program we are unable to estimate how many small businesses will apply for money from this program.

Other Persons: Because the rule is only applicable to the private business and government sectors, no change in costs is expected for other persons.

8. Compliance costs for affected persons:

No change in costs is expected for affected persons. However, any business or government entity that wishes to apply for the program are subject to application fees of \$140 for loan applications, \$280 for grant applications, and \$350 for infrastructure applications.

9. Comments by the Dept head on the fiscal impact the rule may have on businesses:

There are no requirements for businesses, or state or local government, therefore no change in costs is expected. Those entities that wish to apply for the program, will be subject to nominal application fees (Richard W. Sprott, Executive Director, Department of Environmental Quality)

10. Authorizing statute: 19-2-104; 19-1-401

11. Materials incorporated by reference?

12. Public comment and hearing info: Wednesday June 20, 2008 at 2:00 pm in Room 201 of the DEQ Building at 168 North 1950 West Salt Lake City, Utah.

13. May become effective on: August 8, 2008

14. Keywords: air pollution, alternative fuels, grants and loans, motor vehicles